
SENATE JOINT MEMORIAL 8021

State of Washington

55th Legislature

1998 Regular Session

By Senator West

Read first time 01/21/98. Referred to Committee on Law & Justice.

1 TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
2 REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
3 UNITED STATES, IN CONGRESS ASSEMBLED:

4 We, your Memorialists, the Senate and House of Representatives of
5 the state of Washington, in legislative session assembled, respectfully
6 represent and petition as follows:

7 WHEREAS, Securities fraud class actions have implications for
8 national securities markets and directly affect interstate commerce;
9 and

10 WHEREAS, Securities fraud class actions that were traditionally
11 brought in federal court under federal laws are now being brought in
12 state court under state law, thus circumventing the antiabuse
13 provisions of the Private Securities Litigation Reform Act; and

14 WHEREAS, Public companies are reluctant to disclose forward-looking
15 information to investors for fear of being sued in state court under
16 state law; and

17 WHEREAS, The lack of securities litigation uniform standards harms
18 America's economy, particularly job-creating, growth, and high-
19 technology companies; and

20 WHEREAS, Individual state legislation has been able to address only
21 a small portion of this problem because securities flow in interstate

1 commerce, and various state legislative schemes offer conflicting
2 standards of liability and cannot give nation-wide predictability and
3 protections to issuers and investors; and

4 WHEREAS, The securities laws of most states already recognize that
5 nationally traded securities should be protected from conflicting state
6 civil liability standards, and should be exempt from state blue sky
7 registration or qualification requirements;

8 NOW, THEREFORE, Your Memorialists respectfully pray that
9 reasonable, fair, and balanced federal securities litigation
10 legislation be enacted; that, in enacting such legislation,
11 representatives of the federal legislature cooperate with
12 representatives of the state legislatures to prevent state courts from
13 being improperly utilized to circumvent the goals and principles of the
14 Private Securities Litigation Reform Act, including delegating to the
15 federal legislature the power to regulate private securities litigation
16 in state court involving issues of nationally traded securities; and
17 that federal legislation subject all such issuers to uniform national
18 standards for securities class action litigation, maintain the
19 authority of state officials to bring securities enforcement actions,
20 and provide for the removal of securities fraud class actions involving
21 nationally traded securities brought in state court to federal court.

22 BE IT RESOLVED, That copies of this Memorial be immediately
23 transmitted to the President of the United States Senate, the Speaker
24 of the House of Representatives, and each member of Congress from the
25 State of Washington.

--- END ---